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SUBJECT: MEDIA REACTION: U.S. AND CROSS-STRAIT RELATIONS

¶1. Summary: Taiwan dailies all gave significant reporting and editorial coverage May 24 to alleged involvement by President Chen Shui-bian's in-laws in the snowballing insider trading and lobbying scandals. Coverage also focused on other local corruption scandals and the DPP's disputed nomination process for the year-end Taipei and Kaohsiung mayoral races. The pro-independence "Liberty Times," Taiwan's biggest daily, ran a banner headline on page four that read "U.S. Defense Department Report on Military Power: China's Increasing Military Buildup Threatens Regional Balance." The pro-status quo "China Times," ran an exclusive news story on page thirteen with the headline "Most Senior U.S. Official to Visit Taiwan in Six Years; Deputy Trade Representative Will Talk about Free Trade Agreement."

¶2. In terms of editorials and commentaries, an opinion piece in the pro-independence "Taiwan Daily" urged Washington to sign a Free Trade Agreement (FTA) with Taiwan as early as possible. The article asked Deputy U.S. Trade Representative Karan Bhatia to define the so-called "status quo" across the Taiwan Strait, adding that Taiwan will be marginalized and the "cross-Strait common market" will become the status quo after 2008 if Washington fails to sign an FTA with Taiwan immediately. An editorial in the limited-circulation, pro-independence, English-language "Taiwan News," on the other hand, said Taiwan can learn from the recent successful case of Montenegro independence. End summary.

A) "Mr. Bhatia, How Do [We] Maintain the Status Quo Across the Taiwan Strait?"

Tsai Pei-chuan, a university lecturer in Tamshui, opined in the

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pro-independence "Taiwan Daily" [circulation: 100,000] (5/24):

"Deputy U.S. Trade Representative Karan Bhatia is scheduled to visit Taiwan May 24. The U.S. government constantly orders Taiwan to 'maintain the status quo,' but itself has overlooked the fact that China has seriously sabotaged the status quo. I want to ask Mr. Bhatia: Since the 'status quo' is changing like running water, which year's 'status quo' does the United States refer to? Is it the 'political status quo,' 'economic status quo,' or 'military status quo'? If the United States does not want to take precautions and approve a 'Taiwan-U.S. Free Trade Agreement' as early as possible, the 'status quo' Washington will find after 2008 will be like this: Given the fact that Taiwan will be marginalized and has nowhere to go, the island will be forced to accept a 'common market' [mechanism] across the Taiwan Strait, which is akin to accepting 'one country, two systems.' Only when the United States looks to the future and attaches great importance to the current situation can it succeed in maintaining the real status quo. ...

"The 'status quo' is as unfathomable as running water and drifting clouds. The United States should pay attention to 'reality,' put the fact of Taiwan's seriously tilted economics into consideration, and take the right remedial steps based on its strategic considerations. It should sign a 'Taiwan-U.S. Free Trade Agreement' within one year and establish a 'Taiwan-U.S. Free Trade Zone' so as to save Taiwan's declining economic situation in time and meet the common interests of the United States and Taiwan. If the U.S. remains myopic and irresolute and misses the best opportunity, the 'status quo' after 2008 will be a 'cross-Strait common market' and 'one country, two systems.' Taiwan will survive, except in another form, but the United States will be forced to gradually withdraw from the Western Pacific. This is something Mr. Bhatia should ponder. ..."

B) "Montenegro Offers Lessons for Taiwan"

The pro-independence, English-language "Taiwan News" [circulation: 20,000] editorialized (5/24):

"The narrow approval by the majority of the people of Montenegro of a referendum to formalize separation of the small republic of 650,000 from the 7.5 million-strong Republic of Serbia illustrates the role of a high threshold on national referendums that could alter Taiwan's status quo or strive for international recognition for our independence. ... Given the complexity of Taiwan's domestic politics and the sensitivity of our external situation, we believe that the threshold for national citizen referendums on similar questions in Taiwan must meet a similar standard if the results are to convey a legitimacy with a majority of our citizens and have any hope of receiving international recognition in the face of intense Chinese opposition. ... Finally, we also believe that the most important goal for advocates of lasting democracy and Taiwan's independence is not a direct movement for 'rectification' of our constitutional name but the defense of the democratic right of choice, that is of self-determination of Taiwan's people and the realization of this principle in legitimate and credible constitutional mechanisms."

YOUNG